

2-4-3
C.R. Accounting

1 October 1955

MEMORANDUM FOR: Mr. Houston

SUBJECT : Uncollectible Receivables

STATINTL

1. The attached memorandum, [] to you, queries the authority of the DD/S to delegate to the Comptroller, with authority to redelegate, the authority to make administrative determinations regarding the uncollectibility of accounts due the Agency which do not exceed \$25.00 and to remove such accounts from Agency records. The DD/S took such action by memorandum of 23 September 1955, also attached hereto.

STATINTL

2. [] point is that this Office has always maintained that authority involving confidential funds may be delegated by the DD/S only when and if he is so authorized by the DCI and that the regulations pertinent here [] - authorize the DD/S to take action on cases whose amounts are relatively small and do not authorize him to redelegate. I reminded [] that GAO General Regulations No. 120, upon which the DD/S memorandum is based, is not limited to confidential funds and applies throughout the Government. I promised to check the Regulation and take this up with you, and [] agreed that his objection might be met by the General Regulations No. 120.

STATINTL

3. GAO General Regulations No. 120 authorizes administrative departments and agencies to "remove from their active accounts the accounts receivable which heretofore have been or hereafter are determined to be uncollectible through means available to them". Note that the authority is to the "departments and agencies", not the heads thereof. This seems ample authority to CIA to take the action which the DD/S memorandum accomplishes, for vouchered funds and a fortiori for unvouchered funds.

4. Accepting the authority of CIA to act, however, the question remains as to whether the DD/S is so authorized. Although it might be desirable to have clearer language, it would seem the broad authority to the DD/S in paragraph 1 of [] he "is in charge of administrative support for the Agency" - encompasses and authorizes such routine actions as this one. Conversely, it would appear extremely difficult to sustain a contention that the action may be taken only by the DCI. Accordingly, I think the DD/S memorandum may stand without doing violence to the principle that DD/S powers concerning confidential funds, delegated to him by regulations, may not be redelegated. We should, however, in any further discussions concerning the DD/S memorandum, hold to the view that he acted, not in his capacity to expend limited amounts of confidential funds, but in accordance with his authority under [] and Regulations No. 120.

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5. If you approve the foregoing I will show it to [redacted] who, in preparing the DD/S memorandum, had discussed it with me and had obtained [redacted] concurrence. Colonel White queried [redacted] STATINTL as to his authority to delegate and I will advise [redacted] that he may assure Colonel White we have re-examined the point and, with your STATINTL approval, stand on the original concurrence.

STATINTL

